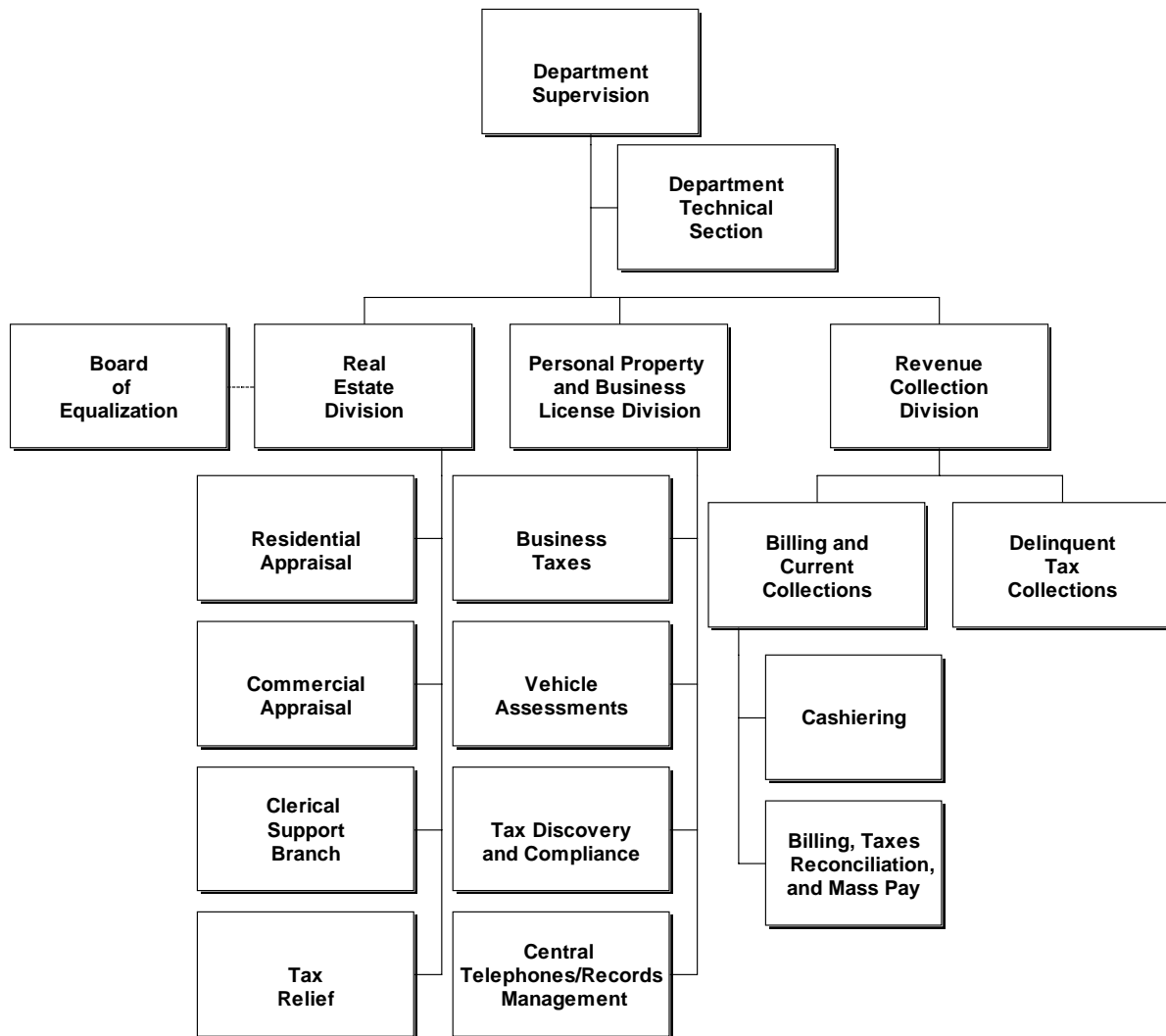


Department of Tax Administration



Department of Tax Administration

Mission

To uniformly and efficiently assess and collect County revenue, provide high quality customer service and promote an empowered, well-informed community.

Focus

The Department of Tax Administration (DTA) assesses and collects taxes fairly and in accordance with relevant County and state codes. The Department is comprised of four main divisions: department supervision; real estate; personal property and business licenses; and revenue collection.

The Supervision Division oversees all DTA operations and takes the lead in the Department's strategic planning and implementation process. As necessary, resources are reallocated across division boundaries to ensure that taxes are properly billed, collection rates remain strong and taxpayers receive responsive customer service. Increased automation has been used wherever possible to address fewer staff and budgetary resources. Successful efforts include the implementation of the Vehicle Mass Leasing Program in FY 2004 and FY 2005 where a computerized list of leased vehicle personal property tax payments is matched to mass billing lists from leasing companies. This new program increased efficiencies, while reducing staff requirements and contributing to significant cost savings. In addition, the Advance Decal program streamlined the way vehicle decals are distributed. Under this program, vehicle decals are mailed with the owner's personal property tax bill, provided the owner does not owe any delinquent taxes or have any outstanding parking tickets, instead of after the County received payment. Customer service was further improved via this program enhancement in FY 2005, and continues to generate savings in terms of staff time and postage. More efficiencies will continue as this new program becomes the standard way of doing business for all taxpayers.

THINKING STRATEGICALLY

Strategic issues for the Department include:

- o Reliably forecast, assess and collect current and delinquent County revenue;
- o Maintain high quality customer service;
- o Maintain average assessment-to-sales ratio in the low 90s as of January 1 each year;
- o Increase availability and acceptance of ways to conduct business in a 24/7 environment; and
- o Maintain a highly skilled and knowledgeable workforce.

In FY 2006 and FY 2007, the division will continue to focus on efforts to increase secure access to pertinent tax information. Such efforts will include public access to the Personal Property and Accounts Receivable databases online. These initiatives will better empower citizens to conduct business in a 24/7 environment and enable DTA to continue to do more with less.

The Real Estate Division handles the assessment of all real estate taxes due to annual property value changes associated with appreciation/depreciation and value increases due to normal "growth" or construction. DTA appraisers handle residential and commercial properties, the real estate taxes for which account for more than 50 percent of all General Fund revenue. Like the rest of Northern Virginia, Fairfax County has experienced strong market appreciation for residential properties over the past few years. Robust value increases, along with numerous property sales, translate into significant workload. Refinancing, remodeling and construction work also present a significant challenge to staff in that a visit to the property is often necessary to ensure accurate property descriptions and assessment. This division began a long-term project in FY 2006 to enhance data accuracy of property characteristics. This project will involve physically visiting and reviewing all residential properties in the County using exempt limited term data collectors to supplement existing appraisal staff. Data accuracy is paramount to fair and equitable property assessment and taxation. This division completed a major computer replacement project in FY 2005, working with a private vendor to replace the County's 1970s-era mainframe assessment system. Further enhancements are planned during FY 2006 and FY 2007 to increase secure access to tax information and to provide staff additional data resources to address the growing real estate market. Real estate payment information may be available online using the new system.

Recent changes by the Board of Supervisors enabled the County to raise the income and asset limits allowed for seniors and persons with disabilities to receive Real Estate Tax Relief. These new limits will go into effect

Department of Tax Administration

in FY 2006 and will have a significant impact on the program for the next several years. It is estimated that 3,273 additional applicants will file for Real Estate Tax Relief based on these new thresholds. Staff will work to accommodate all requests for information and process all applications without an increase to the level of permanent staffing. The agency will absorb all additional work and costs created by the expansion of the program parameters.

The Personal Property and Business License Division assesses all vehicle and business personal property taxes and administers the Business, Professional and Occupational License (BPOL) tax. Workload in this division is driven predominantly by continued population increases over the past decade, as well as the condition of the automobile sales market. The transient nature of Northern Virginia also impacts workload, as all vehicle changes (i.e., moves, sales, purchases) must be recorded to ensure an accurate vehicle tax file. Greater use of Department of Motor Vehicles (DMV) record matching provides some help in quality control over the vehicle tax file. Quality control efforts concerning the vehicle database will continue to be a high priority in FY 2006 and FY 2007, along with efforts required by state law under the Personal Property Tax Relief Act (PPTRA), commonly referred to as the state “Car Tax” legislation.

While much of the valuation process is automated, and records are matched to the Virginia DMV, this division still has an enormous volume of customer contacts. The division also staffs DTA’s main telephone call center, which receives more than 550,000 phone calls a year. It should also be noted that calls coming into the call center cross internal division boundaries. Overlap in customer service also extends to a certain amount of taxpayer correspondence, although DTA has been promoting an increasing shift to e-mail contact, which is handled more proportionately by each appropriate division.



E-commerce transactions increased 31 percent from FY 2004 to FY 2005 and with continued outreach efforts, such transactions are projected to increase another 15 to 20 percent in FY 2006 and FY 2007. The volume of business tax workload remains constant, except that the complexity of tax administration has increased in the last few years due to various court cases, state tax department rulings and economic conditions.

The Revenue Collection Division is responsible for all billing, collection and account reconciliation activities. Staff is split between current year cashiering, deposit operations, and delinquent tax collection, and handles well over 1.5 million billing transactions per year. The workload in this division is also influenced significantly by population and economic conditions. Staff works to ensure current year collection rates are maintained, as this provides necessary revenue and helps minimize the amount of unpaid receivables accumulated over time. Each year, outstanding receivables are collected as delinquent revenue. Collection work is a function of data accuracy (i.e., finding and contacting the property owner), as well as the economy. As the economy falters, collecting can become more difficult. For example, bankruptcies have increased significantly in the last few years particularly among public service companies in the telecommunication industry. This makes collection work harder and impacts the collection rates. Conversely, the strong real estate market, combined with unusually low interest rates, has stimulated a wave of refinancing, helping to boost real estate collections. Along with other collection tools, some delinquent accounts are outsourced to private collection agents. Assistance is also provided by the County Attorney’s Office and the Office of the Sheriff. The Fairfax County Police Department also tows vehicles with outstanding parking tickets.

Additionally, this division staffs the full service counters at the Government Center and forwards the relevant paperwork to the appropriate division for processing. When customer traffic at the Government Center is extremely heavy, employees are redeployed to front-line cashiering service, irrespective of division, in an effort to provide responsive customer service. Similar efforts are made to staff DTA telephones. Efforts to reduce walk-in traffic include the promotion of online registration of new vehicles and the Advance Decal Program. This division has also enhanced customer service and increased cash accountability through implementation of a new cashiering system which was fully integrated with the new real estate computer system in FY 2005. In FY 2006, the division began developing an automated delinquent collection tracking system to be implemented in FY 2007. This new system will track delinquencies and allow timely follow-up, improving the collection rate. Additionally, a software enhancement in FY 2006 and FY 2007 to improve the posting of parking ticket collection efforts will help streamline the process and provide real-time account information.

Department of Tax Administration

New Initiatives and Recent Accomplishments in Support of the Fairfax County Vision

 Connecting People and Places	Recent Success	FY 2007 Initiative
Continue to provide citizens convenient access to information by providing real estate sales data and assessment information online.	✓	✓
Continue to provide the public access to the Personal Property and Accounts Receivable databases online via Govolution, and permit vehicle owners to adjust their accounts, such as change in address or vehicle ownership online, thereby saving staff time and increasing the accuracy of the information in the vehicle tax file.	✓	✓
Review feasibility of posting real estate tax payment history online to empower the public with greater access to direct information.		✓
Review feasibility of using Department of Motor Vehicles (DMV) filing records in lieu of the individual personal property form for initial vehicle filing. DTA would accept DMV filings as the taxpayer's filings rather than using this information to create a shell record and subsequent letter requiring the taxpayer to file additional paperwork within 60 days. This will be more convenient for taxpayers and will help expedite the decal process, as well as reduce the number of phone calls, e-mails and waiver requests for late filings received by staff.		✓
Increase taxpayer knowledge of the Tax Relief program through increased outreach efforts to the senior and disabled populations. Conduct an informational survey which may enhance marketing efforts.		✓
 Exercising Corporate Stewardship	Recent Success	FY 2007 Initiative
Implement an automated delinquent collection tracking system to track real estate delinquencies and support timely follow-up.		✓
Continue the Mass Leasing Program, which enables computerized matching of leased vehicle personal property tax payments to mass billing lists submitted to leasing companies. This reduces staff time and improves data accuracy.	✓	✓
Implement the integration of software programs to allow real-time posting of parking ticket payments at the Government Center Customer Service Counter.		✓

Department of Tax Administration

Budget and Staff Resources

Agency Summary					
Category	FY 2005 Actual	FY 2006 Adopted Budget Plan	FY 2006 Revised Budget Plan	FY 2007 Advertised Budget Plan	FY 2007 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	311/ 311	311/ 311	310/ 310	310/ 310	310/ 310
Expenditures:					
Personnel Services	\$15,061,395	\$16,567,001	\$16,567,001	\$17,158,273	\$17,158,273
Operating Expenses	5,898,028	5,724,126	6,300,984	6,041,915	6,041,915
Total Expenditures	\$20,959,423	\$22,291,127	\$22,867,985	\$23,200,188	\$23,200,188
Income:					
Land Use Assessment					
Application Fees	\$1,140	\$600	\$600	\$600	\$600
Administrative Collection					
Fees for Delinquent Taxes	884,006	309,884	1,024,937	1,024,937	1,024,937
State Shared DTA Expenses	1,839,924	2,012,589	2,012,589	2,052,840	2,052,840
State Shared Retirement - DTA	61,028	62,257	62,257	63,502	63,502
Total Income	\$2,786,098	\$2,385,330	\$3,100,383	\$3,141,879	\$3,141,879
Net Cost to the County	\$18,173,325	\$19,905,797	\$19,767,602	\$20,058,309	\$20,058,309

FY 2007 Funding Adjustments

The following funding adjustments from the FY 2006 Revised Budget Plan are necessary to support the FY 2007 program:

- ◆ **Employee Compensation** **\$591,272**
An increase of \$591,272 in Personnel Services associated with salary adjustments necessary to support the County's compensation program.
- ◆ **Increased Operating Requirements** **\$317,789**
An increase of \$317,789 in Operating Expenses includes \$204,120 in County mainframe computer charges based on prior year usage of mainframe applications, \$104,909 as a result of the postage rate increase from \$0.37 to \$0.39 and \$8,760 for anticipated Department of Vehicle Services' charges for fuel, vehicle replacement and maintenance costs.
- ◆ **Carryover Adjustments** **(\$576,858)**
A decrease of \$576,858 in Operating Expenses is due to the carryover of one-time expenses as part of the FY 2005 Carryover Review.

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2007 Advertised Budget Plan, as approved by the Board of Supervisors on May 1, 2006:

- ◆ The Board of Supervisors made no adjustments to this agency.

Department of Tax Administration

Changes to FY 2006 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2006 Revised Budget Plan since passage of the FY 2006 Adopted Budget Plan. Included are all adjustments made as part of the FY 2005 Carryover Review and all other approved changes through December 31, 2005:

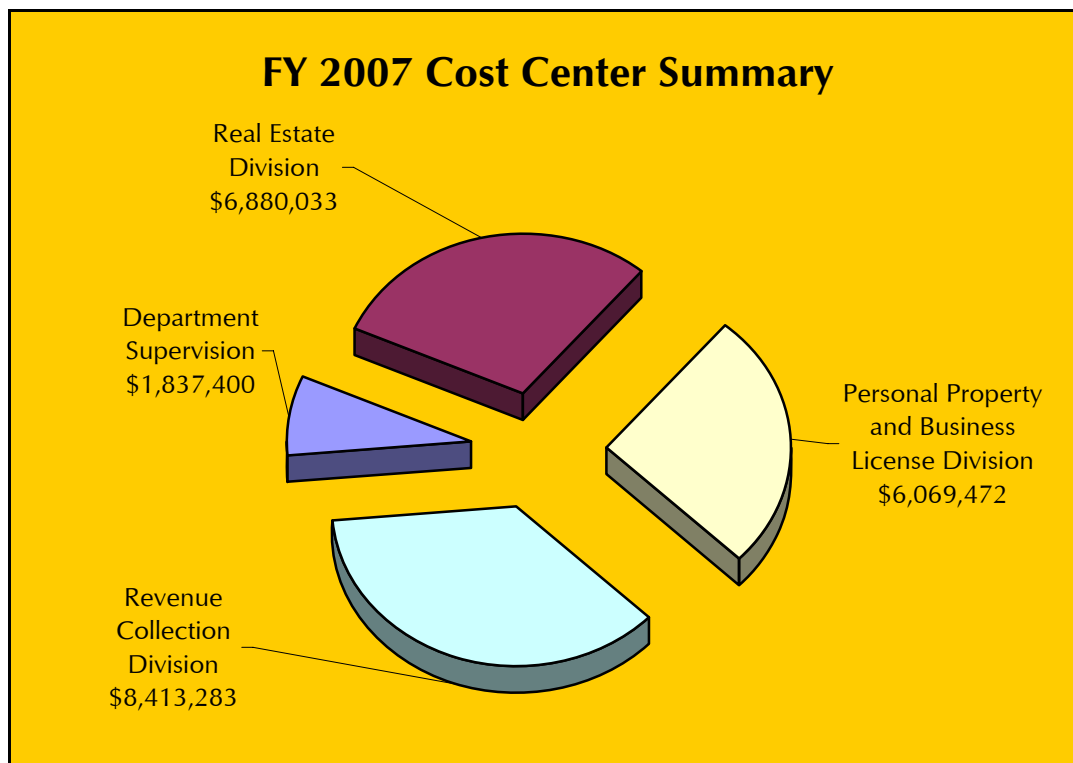
- ◆ **Carryover Adjustments** **\$576,858**
As part of the FY 2005 Carryover Review, the Board of Supervisors approved encumbered funding of \$576,858 in Operating Expenses.
- ◆ **Out of Cycle Adjustments** **\$0**
Based on an internal realignment of staff, 1/1.0 SYE was redeployed to the Department of Purchasing and Supply Management. There was no corresponding funding adjustment associated with this position redirection.

The following funding adjustments reflect all approved changes to the FY 2006 Revised Budget Plan from January 1, 2006 through April 24, 2006. Included are all adjustments made as part of the FY 2006 Third Quarter Review:

- ◆ The Board of Supervisors made no adjustments to this agency.

Cost Centers

The Department of Tax Administration is comprised of four cost centers: Department Supervision, Real Estate, Personal Property and Business License, and Revenue Collection. These four cost centers work together to fulfill the mission of the Department and carry out its key initiatives for the fiscal year. The Personal Property Division includes the Department's main call center that provides customer service support across divisional boundaries.



Department of Tax Administration

Department Supervision

Funding Summary					
Category	FY 2005 Actual	FY 2006 Adopted Budget Plan	FY 2006 Revised Budget Plan	FY 2007 Advertised Budget Plan	FY 2007 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	11/ 11	11/ 11	11/ 11	11/ 11	11/ 11
Total Expenditures	\$1,943,458	\$1,798,817	\$2,229,059	\$1,837,400	\$1,837,400

Position Summary					
1 Director of Tax Administration	<u>Department Technical Section</u>			2 IT Technicians II	
1 Administrative Assistant IV	2 Management Analysts IV			1 Administrative Assistant IV	
	3 Programmer Analysts III			1 Administrative Assistant III	
TOTAL POSITIONS					
11 Positions / 11.0 Staff Years					

Key Performance Measures

Goal

To administer, supervise and adjudicate the assessment, levy, and collection of all taxes that are charged to citizens and businesses of Fairfax County in order to ensure full compliance with the Virginia Constitution, state and County codes and to provide for the funding of the public need as established through the annual budget process.

Objectives

- ◆ To enhance taxpayer convenience by supporting an increase of at least 5 percent per year in 24X7 e-commerce transactions.
- ◆ To accurately forecast current real estate, personal property, and Business, Professional and Occupational License taxes to achieve a variance of 1.0 percent or less between estimated and actual revenues.
- ◆ To provide high quality customer service as measured by an average maximum wait time of 2.0 minutes or less on the phone and at least a 3.5 point satisfaction rating (on a 4-point scale) by DTA customers.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate/Actual	FY 2006	FY 2007
Output:					
24X7 e-commerce transactions	164,760	255,533	362,000 / 334,579	384,766	404,004
Real Estate, Personal Property, and BPOL Tax Revenues (in billions)	\$1.938	\$2.053	\$2.177 / \$2.198	\$2.363	\$2.562
Phone calls received	575,007	548,015	580,000 / 551,815	556,000	560,000
Efficiency:					
Cost per \$1,000 collected	\$10.28	\$9.70	\$9.76 / \$9.89	\$9.76	\$9.96
Cost per phone call	\$2.11	\$2.27	\$2.20 / \$2.24	\$2.24	\$2.29

Department of Tax Administration

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate/Actual	FY 2006	FY 2007
Service Quality:					
Average maximum wait time on phone in minutes: seconds	1.29	3.21	3.50 / 2.02	2.00	2.00
Average rating of DTA services by customers	NA	3.5	3.5 / 3.5	3.5	3.5
Outcome:					
Percent change in 24X7 e-commerce transactions	99.0%	55.1%	41.7% / 30.9%	15.0%	5.0%
Percent variance between estimated and actual revenues	0.1%	0.4%	2.0% / 0.3%	0.3%	1.0%
Percentage of phone calls answered	91.0%	83.0%	85.0% / 84.0%	85.0%	85.0%

Performance Measurement Results

In accordance with DTA's strategic plan to promote taxpayer empowerment and more convenient access to information, performance measures have been developed to assess e-commerce efforts. The tremendous growth in the use of technology has resulted in significant increases in e-commerce transactions. Growth in 24/7 e-commerce transactions for FY 2005 was 31 percent. Another significant increase of 15 percent is projected for FY 2006 and an additional 5 percent growth in FY 2007. The 24/7 e-commerce transactions include emails to DTA, online vehicle registrations, automated tax evader tips, e-check payments, and online credit card payments.

In FY 2005, DTA continued to provide County management with timely and sound data with which to forecast County revenues. As a result, the variance between estimated and actual revenues for Real Estate, Personal Property and Business, Professional and Occupational License Taxes was only 0.3 percent, much lower than the target ceiling of 2.0 percent. Staff will continue to monitor these revenue categories closely and provide accurate estimates.

To better assess customer service, new data on telephone calls have been added to DTA's performance measures. Telephone calls have been increasing with population growth and with the rise in real estate assessments. Telephone calls also increased in FY 2005 due to a change in process in which vehicle decals were mailed to taxpayers with their bill starting in the summer of 2004. While increases in the number of telephone calls are not anticipated in the near-term, staff has been addressing the growth in wait time due to FY 2004 budget and staff reductions in other sections of the Department that customarily provided supplemental telephone support. The Department's average wait in FY 2005 was 2:02 minutes, 1:19 minutes lower than the actual average wait time in FY 2004. This average wait time of 2:02 minutes was also 1:48 minutes less than the FY 2005 estimated wait time of 3:50 minutes. The anticipated wait time for FY 2006 and FY 2007 is approximately 2:00 minutes. The objective for FY 2006 and FY 2007 is to answer the telephones in as timely a manner as possible, with an average maximum wait time of 2:00 minutes, toward an ultimate goal of a wait time under 2:00 minutes.

Real Estate Division

Funding Summary					
Category	FY 2005 Actual	FY 2006 Adopted Budget Plan	FY 2006 Revised Budget Plan	FY 2007 Advertised Budget Plan	FY 2007 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	98/ 98	98/ 98	99/ 99	98/ 98	99/ 99
Total Expenditures	\$6,047,832	\$6,597,576	\$6,672,162	\$6,880,033	\$6,880,033

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Position Summary					
1	Director of Real Estate		<u>Residential Appraisal</u>		<u>Clerical Support Branch</u>
3	Assistant Directors	8	Supervising Appraisers	1	Real Estate Records Mgr.
1	Management Analyst III	15	Senior Appraisers	2	Administrative Assistants V
2	Administrative Assistants III	25	Appraisers	3	Administrative Assistants IV
1	Administrative Assistant II			15	Administrative Assistants III
			<u>Commercial Appraisal</u>	1	Administrative Assistants II
	<u>Board of Real Estate</u>	4	Supervising Appraisers		
	<u>Assessments Equalization</u>	14	Senior Appraisers		<u>Tax Relief</u>
1	Administrative Assistant III			1	Management Analyst II
				1	Business Tax Specialist II
TOTAL POSITIONS					
99 Positions / 99.0 Staff Years					

Key Performance Measures

Goal

To assess and update all real property in the County in a fair and equitable manner to ensure that each taxpayer bears his or her fair share of the real property tax burden.

Objectives

- ◆ To assess property at fair market value as measured by an average assessment-to-sales ratio in the low 90s.
- ◆ To equitably assess properties by maintaining a minimum coefficient of dispersion of 7.5.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate/Actual	FY 2006	FY 2007
Output:					
Parcels assessed	337,350	341,651	345,500 / 345,338	350,000	354,000
Efficiency:					
Cost per parcel assessed	\$20.95	\$21.16	\$22.38 / \$21.84	\$22.59	\$22.98
Parcels per appraiser	6,747	6,446	6,509 / 6,516	6,604	6,679
Service Quality:					
Assessment/Sales ratio	91.2%	92.0%	91.2% / 91.2%	92.7%	92.0%
Outcome:					
Coefficient of Dispersion	6.1	5.9	6.0 / 6.0	7.5	7.5

Performance Measurement Results

FY 2005 data indicate an assessment-to-sales ratio of 91.2 percent. This is well within the target of the low 90 percent range and reflects the Department's assessment of real estate at fair market value. Further evidence of DTA's fair and equitable assessment practices is found in the low coefficient of dispersion of 6.0 in FY 2005. A low coefficient indicates that similar properties are assessed similarly and, hence, equitably. A coefficient of 15 is considered good, while a value in the 5 to 14 range indicates excellent uniformity.

Department of Tax Administration

Personal Property and Business License Division



Funding Summary					
Category	FY 2005 Actual	FY 2006 Adopted Budget Plan	FY 2006 Revised Budget Plan	FY 2007 Advertised Budget Plan	FY 2007 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	114/ 114	114/ 114	115/ 115	116/ 116	115/ 115
Total Expenditures	\$5,353,297	\$5,734,409	\$5,734,409	\$6,069,472	\$6,069,472

Position Summary			
1	Director	<u>Tax Discovery and Compliance</u>	<u>Central Telephones and</u>
1	Assistant Director	1 Management Analyst III	<u>Records Management</u>
1	Management Analyst III	3 Management Analysts II	1 Management Analyst II
1	Administrative Assistant III	4 Auditors III	4 Administrative Assistants IV
1	Administrative Assistant II	2 Auditors II	33 Administrative Assistants III
		11 Business Tax Specialists II	6 Administrative Assistants I
		1 Administrative Assistant IV	
		8 Administrative Assistants III	<u>Business Taxes</u>
1	Management Analyst II		1 Accountant II
1	Administrative Assistant III		15 Administrative Assistants III
16	Administrative Assistants II		2 Administrative Assistants V
<u>TOTAL POSITIONS</u>			
115 Positions / 115.0 Staff Years			

Key Performance Measures

Goal

To establish and maintain an equitable and uniform basis for assessing County ad valorem taxes on personal property; and to administer County licenses, state income tax, and all other state and County programs assigned to the Division in accordance with mandated statutes.

Objectives

- ◆ To maintain the cost per Personal Property and BPOL dollar levied at or below \$0.01 with no degradation in accuracy as measured by exonerated assessments as a percent of total assessments.
- ◆ To achieve the highest degree of accuracy in personal property and business license assessment such that exonerations do not exceed 4.1 percent of annual levy.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate/Actual	FY 2006	FY 2007
Output:					
Total tax levy for Personal Property and BPOL	\$568,959,764	\$577,728,485	\$574,899,913 / \$579,468,584	\$614,156,167	\$649,047,666
Value of Personal Property and BPOL tax bills adjusted	\$30,883,749	\$31,147,049	\$24,425,772 / \$23,843,045	\$25,224,514	\$26,798,834
Efficiency:					
Cost per tax dollar levied	\$0.01	\$0.01	\$0.01 / \$0.01	\$0.01	\$0.01
Service Quality:					
Exonerations as a percent of total assessments	5.4%	5.4%	4.2% / 4.1%	4.0%	4.1%

Department of Tax Administration

Performance Measurement Results

In FY 2005, the cost per dollar of personal property and BPOL levy was \$0.01, consistent with the target. For FY 2005, exonerations were 4.1 percent of the total tax levy. Exonerations occur after a record has been assessed and levied. Although some level of records will always change after the fact due to prorating, the objective is to bill records correctly the first time and minimize subsequent adjustments. Exonerations of no more than 5 percent indicate excellent billing practices. For FY 2006 and FY 2007, exonerations are projected to be below the 5 percent benchmark.

Revenue Collection Division



Funding Summary					
Category	FY 2005 Actual	FY 2006 Adopted Budget Plan	FY 2006 Revised Budget Plan	FY 2007 Advertised Budget Plan	FY 2007 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	88/ 88	88/ 88	85/ 85	85/ 85	85/ 85
Total Expenditures	\$7,614,836	\$8,160,325	\$8,232,355	\$8,413,283	\$8,413,283

Position Summary					
1 Director	21	Administrative Assistants III		<u>Billing, Taxes Reconciliation, and Mass Pay</u>	
1 Management Analyst IV	1	Administrative Assistant I		1 Accountant II	
1 Administrative Assistant III				1 Management Analyst III	
1 IT Technician II		<u>Cashiering</u>		1 Management Analyst II	
	1	Accountant III		6 Administrative Assistants V	
<u>Delinquent Tax Collections</u>	1	Accountant II		14 Administrative Assistants III	
1 Management Analyst III	1	Administrative Assistant V		2 Administrative Assistants II	
1 Management Analyst II	4	Administrative Assistants IV			
3 Administrative Assistants V	15	Administrative Assistants III			
7 Administrative Assistants IV					
<u>TOTAL POSITIONS</u>					
85 Positions / 85.0 Staff Years					

Key Performance Measures

Goal

To bill and collect taxes while providing quality customer service, in order to maximize General Fund revenue with accountability and minimize the overall tax burden by maintaining low delinquency rates.

Objectives

- ◆ To maintain a minimum collection rate of 99.61 percent, toward a target collection rate of 99.65 percent for current year real estate taxes; 97.30 percent for current year personal property taxes; and 98.60 percent for Business, Professional, and Occupational License (BPOL) taxes.
- ◆ To maintain at least 42 percent collection of accounts receivable (i.e., unpaid taxes from prior years), while maintaining a cost per delinquent dollar collected of no more than \$0.10.

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Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate/Actual	FY 2006	FY 2007
Output:					
Current year taxes collected: Real Estate (in millions)	\$1,387.7	\$1,493.0	\$1,627.5 / \$1,628.3	\$1,763.9	\$1,927.7
Current year taxes collected: Personal Property (in millions)	\$457.2	\$459.0	\$451.8 / \$454.4	\$478.5	\$503.7
Current year taxes collected: BPOL (in millions)	\$93.4	\$102.0	\$108.1 / \$115.1	\$120.9	\$130.3
Delinquent taxes collected: Real Estate	\$8,863,905	\$7,725,129	\$6,879,238 / \$9,625,912	\$6,879,238	\$8,359,678
Delinquent taxes collected: Personal Property	\$9,307,036	\$14,429,174	\$16,200,559 / \$19,538,777	\$15,192,218	\$12,006,916
Delinquent taxes collected: BPOL	\$2,443,614	\$2,774,462	\$1,000,000 / \$287,799	\$1,000,000	\$1,000,000
Efficiency:					
Cost per current dollar collected	\$0.004	\$0.003	\$0.004 / \$0.004	\$0.004	\$0.004
Cost per delinquent dollar collected	\$0.11	\$0.09	\$0.18 / \$0.08	\$0.10	\$0.10
Service Quality:					
Percent of bills deliverable	96.0%	96.4%	97.0% / 97.0%	97.0%	97.0%
Outcome:					
Percent of current year taxes collected: Real Estate	99.63%	99.61%	99.61% / 99.62%	99.61%	99.61%
Percent of current year taxes collected: Personal Property	96.73%	96.87%	97.00% / 97.86%	97.30%	97.30%
Percent of current year taxes collected: BPOL	98.49%	98.75%	98.00% / 98.64%	98.60%	98.60%
Percent of accounts receivable collected	26%	31%	30% / 39%	42%	42%

Performance Measurement Results

Collection rates remain especially strong in all tax categories, as well as the collection of unpaid parking tickets. The collection rate for real estate taxes was 99.62 percent in FY 2005, reflecting not only the work of this division, but also the surge in property refinancing due to continued low mortgage interest rates. The collection rate for personal property of 97.86 percent in FY 2005 was slightly greater than the target of 97.00 percent. Personal Property Tax collections include taxes assessed locally by DTA, as well as Public Service Corporation (PSC) taxes assessed by the state, but billed and collected by DTA. A collection rate of 98.64 percent was achieved for business, professional and occupational license taxes in FY 2005, exceeding the objective of 98.00 percent. Strong collections are anticipated to continue in FY 2006 and FY 2007.

The cost per delinquent dollar collected was \$0.08 in FY 2005, 10 cents below the target. A slight increase is anticipated for FY 2006 and FY 2007 as the higher collection rates on current taxes typically means that the delinquent accounts that do exist are smaller in dollar value and typically more difficult to collect.